



**United States
Fish & Wildlife Service**

Memorandum

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Date

04/15/2005

From

AD - Budg, Planning & Hum Res

Subject

Thrift Savings Plan Open Season - April 15, through June 30, 2005

The Thrift Savings Plan is a savings plan for employees covered by the Federal Employees Retirement System and the Civil Service Retirement System. It offers all participants the advantages of automatic payroll deductions, tax-deferred savings, a choice of five investment funds, a loan program, portable benefits if you leave Federal service, and a choice of withdrawal options. Eligible FERS employees receive automatic agency contributions of 1 percent, and those contributing to the TSP receive matching agency contributions of up to 5 percent of the amount contributed.

For 2005, FERS employees may contribute up to 15 percent of their salary, and CSRS employees may contribute up to 10 percent. The government match for FERS employees remains at 5 percent. In 2006, the percentage limits will be removed and employees in both systems will be able to contribute up to the IRS limit. For 2005, the IRS limit is \$14,000. It is very important for FERS employees whose annual salary is \$94,000 or higher, to carefully make their contribution decisions. Reaching your annual limit before the end of the year will result in the loss of your matching contribution during the remainder of the year. For more information on this subject, please see the TSP Fact Sheet "Annual Limit on Elective Deferrals" at <http://www.tsp.gov/cgi-bin/byteserver.cgi/forms/ocfs91-13.pdf>. Employees should also be aware that the annual limit is per person, not position, meaning if you are making tax deferred contributions through another employer, the amounts are combined to reach the annual limit.

Additionally, if you are or will be 50 years or older in 2005, and you are contributing the maximum amount of regular TSP contributions for which you are eligible, you may also elect to make additional "catch-up" contributions up to \$4,000 for 2005. Catch-up contributions do not count towards the annual IRS limit for deferred savings plans. The annual catch-up limit will increase by \$1,000 annually, until it reaches \$5,000.

The open season for the TSP runs from **April 15, through June 30, 2005**. If you are not a participant and are eligible to join, the open season provides you an opportunity to begin contributing to your retirement savings program. If you are already a participant, the open season allows you to change your participation rate or your investments.

If you are a FERS or CSRS employee, you are eligible to participate and may elect to do so

during this open season. FERS employees who were hired before June 1, 2004, are already eligible for agency contributions. FERS employees who were hired between June 1, 2004, and November 30, 2004, will receive agency contributions beginning the first full pay period in June 2005. Those hired between December 1, 2004, and May 31, 2005, will be eligible beginning the first full pay period in December 2005; those hired between June 1, 2005, and November 30, 2005, will be eligible for agency contributions beginning the first full pay period in June 2006. To view a copy of the TSP Open Season brochure that provides limited information about the TSP, investment options, and participation rules, go to: http://hr.fws.gov/TSP_Spring05.pdf. If you wish to have more detailed information about the TSP, you may request the booklet, "Summary of the Thrift Savings Plan for Federal Employees," from your servicing human resources office.

Current TSP participants who wish to make changes in their enrollment, such as changes in contribution percentages, and eligible employees who are interested in beginning participation in the TSP are required to use Employee Express. Employee Express is available by telephone at (800) 827-6254, or via the internet at <http://www.employeeexpress.gov>. If you do not know your Employee Express personal identification number, you should call the help desk at (478) 757-3030 to obtain one. Employee Express can **only** be used to begin participation and change participation percentages; allocation changes must be made via TSP.

Employees may change the amount of their contributions to the G, C, F, S, and I funds by forwarding a completed Investment Allocation form (TSP-50) directly to the TSP Service Center, Office of the National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500, by calling the ThriftLine toll free at (877) 968-3778, or via the internet at: <http://www.tsp.gov>. To obtain a copy of TSP-50, please contact your servicing human resources office. Allocation changes **cannot** be made via Employee Express.

Thrift Savings Plan elections must be entered in Employee Express no later than June 30, 2005. Elections cannot become effective prior to June 1, 2005.

Employees covered by FERS are urged to consider the significance of participation in the TSP because the TSP, the FERS Basic Benefit, and Social Security are the three integral components that comprise the FERS retirement package. Your TSP contributions, when supplemented by the agency automatic contributions (1 percent), the agency matching contributions, and the earnings on contributions in your TSP account, will provide you an important source of retirement income that will be paid in addition to the retirement benefits you will receive from the other FERS components. Unlike CSRS employees, FERS employees have the opportunity to enhance retirement benefits by contributing up to 15 percent of their basic pay each pay period.

For further information about the TSP, you may contact your servicing human resources office.